

Part Three: Integration and Recommendations

Chapter 10: Legacy Communities

The Legacy Communities of the Sacramento-San Joaquin Delta are integral to the cultural fabric of the Delta. These towns provide key services and support functions for surrounding residents and businesses, serve as important visitor waypoints, offer unique cultural activities, and lend great character to the Delta as a place. These communities have existed to support agriculture and recreation activities in the Delta, and until recently have been economically sustainable in their own right. However, demographic, economic, and land use trends have changed these communities considerably—some to the extent that visible signs of underutilization and decline are prevalent—and continued evolution of economics and public policy in the Delta will greatly affect their ability to thrive in the future.

The State of California has recognized the importance of cultural heritage in the Legacy Communities and has mandated that the Economic Sustainability Plan include recommendations concerning these communities.²⁸³ This report indicates that there is great potential for revitalization of the Delta's Legacy Communities, and this chapter seeks to support this endeavor by documenting the historical framework and socio-economic conditions of these areas, analyzing ways in which these communities relate to larger contexts and may adapt in the future, creating the principles for future economic prosperity, and recommending strategies by which a sustainable vision can be implemented.

1 Overview and Key Findings

The Delta Reform Act of 2009 (SB X7 1) identifies the Delta's Legacy Communities as Bethel Island, Clarksburg, Courtland, Freeport, Hood, Isleton, Knightsen, Rio Vista, Ryde, Locke, and Walnut Grove. This chapter focuses primarily on the unincorporated Legacy Communities of the Sacramento River Corridor, including Clarksburg, Courtland, Hood, Isleton, Locke, Ryde, and Walnut Grove, providing a general overview of each.²⁸⁴ In addition, Clarksburg, Walnut Grove, and Locke have been selected for more detailed study and focused economic sustainability planning.²⁸⁵ This chapter discusses a potential "vision" of a sustainable future for each of these focal communities, the goal being to preserve their rich cultural histories while simultaneously providing for economic prosperity. The chapter also provides a high-level implementation strategy for the Legacy Communities. It is anticipated that facets of the strategy presented here may be applicable to other Legacy Communities in the Delta.

A primary aspect of sustainability planning for the Delta's Legacy Communities is the notion of enhancing legacy themes and creating better awareness of each of these distinctive communities. It is contemplated that promoting the uniqueness of these communities, in combination with strategic investments, will attract new residents, businesses, and visitors, thereby stimulating overall economic health and sustainability. To fully realize the economic potential of the Legacy Communities will require a comprehensive plan. Accordingly, the Economic Sustainability Plan provides a multi-faceted vision for Clarksburg, Walnut Grove, and Locke that touches on historic preservation, economic development, urban design, recreation,

²⁸³ Delta Reform Act of 2009 (SB X7 1)

²⁸⁴ While the Delta Reform Act of 2009 (SB X7 1) identifies additional "Legacy Communities," the ESP focuses on the communities of the Sacramento River Corridor. Findings and recommendations from the ESP may serve as a useful template for analysis of other Legacy Communities.

²⁸⁵ Clarksburg, Walnut Grove, and Locke reflect a broad range of community typologies (character and land use mix) found in the Primary Zone.

marketing, and other factors. In addition, the Economic Sustainability Plan considers the need for a coordinated effort to reinvest in the Legacy Communities.

The vision for each community and the overarching implementation strategy rely on extensive research of historical context, analysis of socioeconomic conditions, and public input. This chapter includes historical narratives, presents local demographic and economic data, and incorporates findings from community outreach. The chapter also reflects findings from field work, including assessments of community character and site-specific development opportunities. The following presents key opportunities and constraints for the Legacy Communities; the high-level vision for Clarksburg, Walnut Grove, and Locke; and an overview of the implementation strategy.

1.1 Opportunities and Strengths

Agriculture is the primary driver of economic activity in the Delta. As documented in detail throughout the Economic Sustainability Plan, the agriculture industry is the primary economic engine of the Delta. Along with the agriculture industry, the Legacy Communities have matured and evolved over time. The health of agriculture production around the Legacy Communities remains critical to the sustainability of the Legacy Communities.

Outdoor and cultural recreation is essential to long-term sustainability. Already a well-known and heavily visited recreation area, visitors are an important source of revenue for Delta businesses. It is crucial to maintain and enhance recreational offerings in the Delta and to add to or strengthen the region's visitor-serving amenities, ensuring that the Delta remains a top visitor destination for outdoor and cultural recreation in Northern California.

Improved lodging, entertainment, and retail options capture additional tourism dollars. Despite the significant number of recreation visitors to the Delta, there are relatively few hotel rooms, stores, and attractions to capture visitor spending. Overnight accommodations and entertainment options, in combination with supporting retail, could increase visitation, length of stay, and spending in the Delta, but will require substantial reduction of risk to attract investors given the other inherent risks of projects in this sector.

Transportation-related improvements are needed to enhance the visual landscape, attract visitors, and improve public safety. Roadway landscaping, signage, bike lanes, sidewalks, parking, transportation services, and other transportation-related improvements are needed in the Delta. Investments in transportation will improve quality of life for residents and increase tourism potential.

Restored historic buildings and contextual infill development improve community aesthetics and support economic growth. The Legacy Communities offer a unique sense of place and history that must be preserved. Historic preservation should be pursued in concert with new projects. Reinvestment and new investment in real estate is critical to economic sustainability. Development projects that are consistent with the existing community fabric will be an important factor in retention and recruitment of businesses. This will require increased regulatory flexibility to facilitate the use and adaptive reuse of vacant buildings. Meaningful progress in Locke should be among the highest priorities within the Primary Zone in this regard, as this unique community has the potential to catalyze tourism activity and related subsequent investments.

Agricultural tourism has growth potential. Agritourism and rural recreation is currently found throughout the Delta and is growing. Farms and other agricultural businesses (including wineries) are increasingly leisure destinations, with businesses seeking direct sales and brand awareness and visitors seeking fresh food and a physical connection to their food source. However, substantial growth from current baseline conditions will require coordinated efforts to brand and market the region and its sub-districts, with the objective of breaking the Delta down to districts with distinct branding identities.

Festivals and community celebrations raise awareness and generate economic activity. There are numerous festivals and community events each year that boost tourism and business activity in Delta. Additional visitor programming, coordinated scheduling, marketing, and branding could increase the economic benefits of existing and future events in the Delta.

1.2 Constraints and Challenges

There is an over-arching need to reduce investment risk in order to spur economic activity in the Legacy Communities. Several factors work together to suppress business activity and economic growth, including incongruent and lengthy regulatory requirements between local, county, state, and federal entities, and significant flood risks.

A strict and multi-layered regulatory framework limits economic development. With numerous government agencies overseeing land use in the Legacy Communities, permitting new projects is frequently a costly and lengthy process. Furthermore, some projects are disallowed entirely. The Delta Plan's proposed "covered action" provision needs to be carefully reviewed to avoid further complicating and hindering economic development in the Primary Zone.

Risks associated with insufficient flood protection limit new investment. Adequate flood protection is essential to economic development in the Delta. Costly new and improved levees are necessary to encourage reinvestment and new investment in the Legacy Communities. Without levee investment, property owners are burdened by flood insurance requirements, as well as significant design, permitting, and financing hurdles for building improvements and new construction.

Housing options for Delta workers are limited. Only about one in ten employees working in the Primary Zone also lives there.²⁸⁶ Without sufficient workforce housing, Delta employers must recruit non-local employees who must commute into the Delta to work, thereby compromising the environmental sustainability of the Legacy Communities. The need for workforce housing is an important policy concern for the Legacy Communities.

1.3 The Vision for Clarksburg, Walnut Grove, and Locke

Clarksburg – A Vibrant Agricultural Community. Clarksburg's primary competitive advantage is its agricultural abundance, with rural bucolic charm in close proximity to Sacramento. This area produces exceptional agricultural goods, most notably wine grapes, and attracts visitors who tour farm country and local wineries. The Economic Sustainability Plan proposes that the vision for Clarksburg build on momentum in the areas of agricultural tourism and value-added agricultural processing. Clarksburg should retain its historic character, grow as a food and wine destination, and attract new agriculture-related craft production businesses. In addition, some key local neighborhood services and amenities would work to make this community more

²⁸⁶ Commute patterns are discussed in detail in Chapter 2.

attractive to visitors and local residents. Some increase in population growth, sensitively directed toward appropriate infill sites, would likely be necessary to achieve minimum market-based thresholds for retail or service sector business creation.

Walnut Grove – The Heart of the Delta’s Sacramento River Corridor. Walnut Grove is centrally located, with a cluster of businesses providing residents, workers, and visitors a variety of goods and services not found elsewhere in the Primary Zone. The Economic Sustainability Plan proposes that the vision for Walnut Grove build on its status as a hub of local businesses and services. Walnut Grove should preserve its community character; grow and diversify business activity; and continue to strengthen its physical connection to the Sacramento River.

Locke – A Historic Delta Community. Locke is known for its cultural heritage, historical significance, unique building stock, and points of interest. With great sensitivity to cultural, historical, and environmental values, the Economic Sustainability Plan proposes that Locke leverage its notable assets to increase tourism and spending in the community. Locke should preserve its historic character, offer improved hospitality and visitor services, and revitalize its “main street” business environment.

1.4 Implementation

Designate an agency to manage and implement economic sustainability efforts in the Delta. A designated entity responsible for economic development and community reinvestment should plan, coordinate, and participate in the implementation of the Economic Sustainability Plan. Future planning efforts would build on recommendations and findings from this Plan, refining the goals for the Legacy Communities and prioritizing potential strategic actions. The agency would ensure that strategic actions, such as marketing efforts and economic development, are implemented in a systematic, efficient, and consistent fashion throughout the Legacy Communities. Additionally, the agency might contribute to implementation directly, either carrying out implementation actions independently or by coordinating partnerships between public and private sector actors. This topic is discussed in greater detail in Chapter 11 of this report.

Conduct additional study of potential community investment options. The Economic Sustainability Plan considers a number of strategic actions for the communities of Clarksburg, Walnut Grove, and Locke. In addition, opportunity sites are evaluated for higher and better land use potential. The proposed strategic actions and the review of opportunity sites presented in this chapter are intentionally high-level. As community-specific economic sustainability goals are refined over time, associated strategic actions will need to be updated and further detailed. Potential investments must be studied in detail to assess cost effectiveness and priority relative to a complete set of potential investments throughout all of the Legacy Communities.

Use the Delta Investment Fund to support economic development initiatives in Legacy Communities. Inadequate infrastructure is a major barrier to investment in the Legacy Communities. Funding for infrastructure (capital and maintenance) will be essential to promoting private sector investment in the future.

2 Existing Conditions and Trends

This section provides an overview of the Legacy Communities, including historical context, socioeconomic conditions, regulatory environment, and recent development projects.

2.1 Overview of the Legacy Communities

Although settlement and use patterns throughout the Delta occurred in tentative stages as early as the 1830s, it was not until the Congressional acts of 1850 and 1858 giving title of lands to the State and subsequently allowing the sale to individuals, that the Legacy Communities began to form. Concentrated agricultural use of the Sacramento Valley began with John Sutter's land grants of 1841. The emergence of New Helvetia as an important trading post subsequently led to the establishment of a shipping wharf.²⁸⁷ The confluence of three historical events—the California Gold Rush, the Second Industrial Revolution, which brought steam paddlewheel shipping and steam trains, and the end of the Mexican-American War—led to tremendous increases in population in San Francisco and the Bay area. As this population raced to extract the gold, the Delta became a valuable transportation, hunting, and fishing resource. Although the gold resources waned and miners rushed off to other finds, the agricultural and trading tradition of the area was already firmly established. As landowners looked for increased farming opportunities, the Delta became the focus of concentrated reclamation efforts.

The next 60 years saw the construction of levees and the draining of wetlands, which shaped much of the Delta that exists today. By 1920, reclamation of the Delta was complete and agriculture replaced gold as the regional economic driver. With dredging also complete, the Sacramento River became a predominant commerce route and recreation destination. Over the next several decades, the short-term mining practices and destruction of Delta ecosystems that took place during the gold rush subsided and were replaced by long-term management of the land and resources, including the building of permanent communities. Today, the Legacy Communities remain closely tied to the local agricultural economy and the Sacramento River.

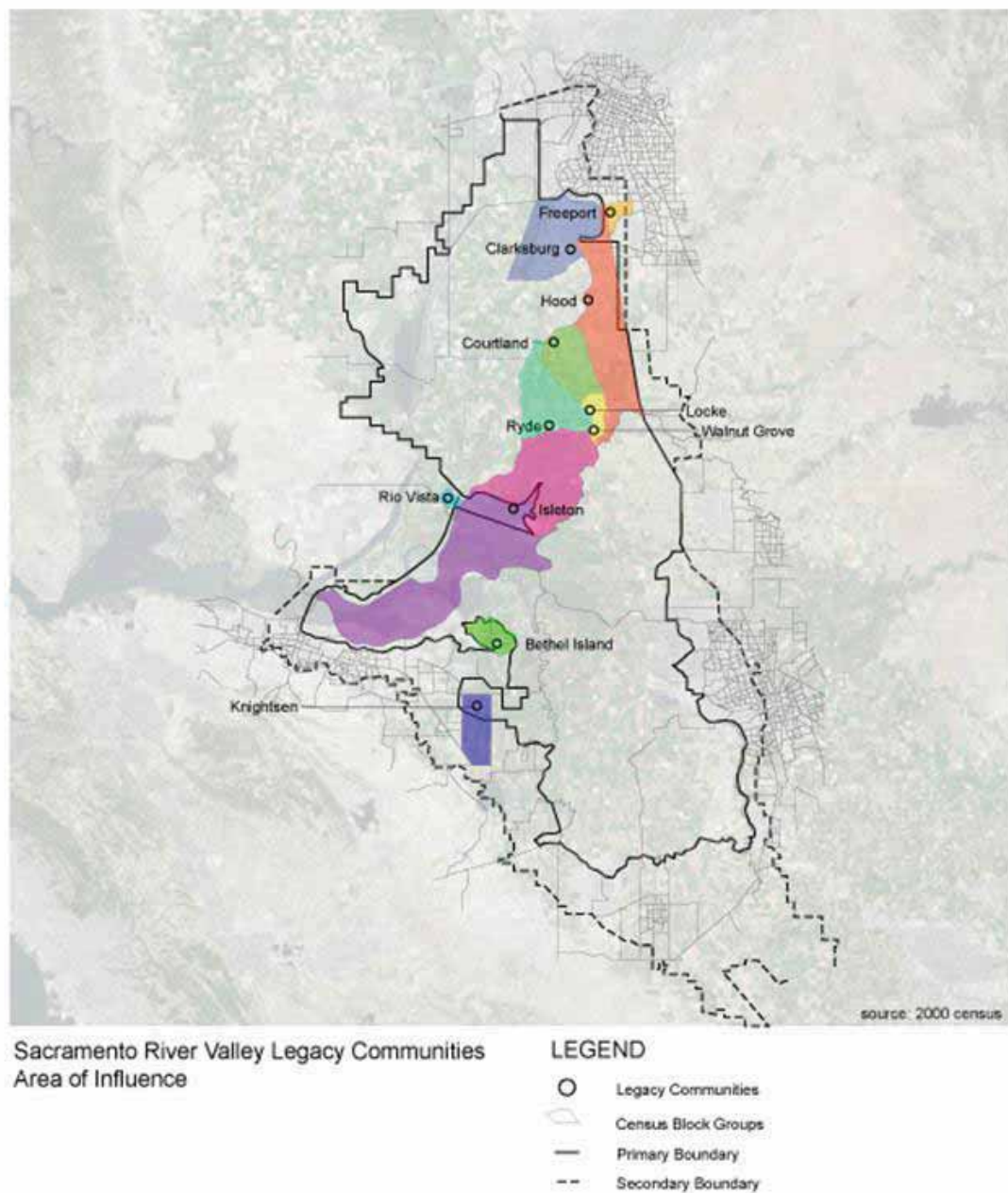
The Legacy Communities of specific focus in the Economic Sustainability Plan are located in the Sacramento River Corridor and include Clarksburg, Courtland, Hood, Isleton, Locke, Ryde, and Walnut Grove. All Legacy Communities discussed in SB X7 1 are shown in Figure 40, and are briefly described below.

- **Bethel Island**, which is located just outside of the cities of Antioch and Oakley, is well-known as a recreation destination in the Delta. Relatively proximate to the San Francisco Bay area, Bethel Island offers residents and visitors retail and restaurants, a golf course, several marinas, and access to some the Delta's best waterways.
- **Clarksburg**, located in Yolo County on the west side of the Sacramento River, is well known for grape production and home to large-scale wine producer Bogle. The Old Sugar Mill, a redeveloped factory repurposed as wine tasting and production facility and event center, is a popular visitor attraction.
- **Courtland**, located in Sacramento County on the east side of the Sacramento River, is recognized for the significant pear production in the area. Each year, the Courtland Pear Fair celebrates the harvest.
- **Freeport** is the northernmost Legacy Community, located in Sacramento County, near the border of the City of Sacramento. Established as a port during after the California gold rush, Freeport has a distinct heritage in the history of goods movement in the Sacramento region.

²⁸⁷ <http://www.sacdelta.com/hist.html> and http://www.ppac.org/content/pubs/report/R_207JLChapter2R.pdf

- **Isleton**, an incorporated city located in southwestern Sacramento County near Rio Vista, contains a 19th century-era main street with numerous community- and visitor-serving businesses. The city is well known for its Crawdad Festival (Cajun Festival).
- **Knightsen** is a small residential/farming community located near Oakley in Contra Costa County. Knightsen has become known for several horse ranching operations in its vicinity.
- **Locke**, located in Sacramento County on the east side of the Sacramento River, is nationally-significant example of a historic Chinese-American rural village. The town is a distinguished visitor destination in the Delta, with numerous points of interest, including the Locke Boarding House, Locke Chinese School, Locke Memorial Park, among others.
- **Rio Vista** is an incorporated city in Solano County. The most populated of all Legacy Communities, Rio Vista is home to many business and personal services which serve rural residents as well as visitors the Delta, and features an assortment of grocery stores, banks, restaurants, and other amenities.
- **Ryde**, located in Sacramento County on the west side of the Sacramento River, is well known for the historic Ryde Hotel and Event Center. Built in 1927, the recently refurbished Ryde Hotel is a Delta landmark and highly-regarded wedding and event venue.
- **Walnut Grove**, located in Sacramento County on the east and west sides of the Sacramento River, is a bustling small town with businesses, residences, a library, and a school. Walnut Grove is centrally located within the Sacramento River Corridor and offers many modern goods and services for businesses, residents, and visitors.

Figure 40 Sacramento-San Joaquin Delta Legacy Communities²⁸⁸



²⁸⁸ For high resolution image see <http://forecast.pacific.edu/desp-figs.html>

2.2 Socioeconomics

Building on Chapter 2 (Overview of the People and Economy of the Delta), this section examines key demographic and economic conditions and trends in the Legacy Communities. The analysis focuses primarily on data-driven results and information from government data sources, including data from the U.S. Census Bureau. The Economic Sustainability Plan relies on Census block group-level data to evaluate the characteristics of population and jobs in the Legacy Communities.²⁸⁹ Figure 40 shows the geographic boundaries of the block group data considered by this chapter. Appendix K provides detailed data tables supporting the findings discussed here.

2.2.1 *Population Trends and Characteristics*

According to Census 2010, there are approximately 6,600 residents in the Sacramento River Corridor Legacy Community block groups, an increase of almost 10 percent over year 2000 population. Most of the Legacy Community block groups experienced growth, with the greatest population growth (in percentage terms) observed in the block group that includes Hood, Freeport, and areas along Interstate 5. However, the block groups that include Isleton and Clarksburg grew at a much slower rate, with very little to slightly negative population growth since 2000.

The age distribution of residents in the Legacy Communities is generally similar to the Primary Zone overall, with few children and a high proportion of older residents, as compared to the population of the Legal Delta. In the Legacy Communities, the population under the age of 18 is only 18 percent of the population (compared to 29 percent in the Legal Delta) and the population age 55 and older is 36 percent of the population (compared to 20 percent in the Legal Delta). Census Bureau age data reveal more young residents in eastern Walnut Grove and Locke, with 25 percent of the population under the age of 18. In contrast, the Census Bureau indicates that population around Hood is notably older, with roughly 62 percent of residents over the age of 55.

The residents of the Legacy Communities are primarily White, although other racial groups and ethnicities are also well-represented. Eastern Walnut Grove and Locke are quite diverse, with Asians making up 38 percent of the population and Hispanics making up 40 percent of the population. Courtland also has a notable Hispanic population, with about 66 percent of the population reporting that ethnicity.

Across the Legacy Communities, the Census Bureau reports wide disparities in household income, with average household incomes ranging from less than \$30,000 to over \$90,000 per year. The highest average income is found around Ryde (including western Walnut Grove), where the Census Bureau reports an average household income of \$92,200 (well above the average of \$79,200 in the Legal Delta). However, directly across the Sacramento River in eastern Walnut Grove and Locke, the Census Bureau finds that average household income is significantly lower, at about \$28,500.

The educational attainment of residents around the Legacy Communities is also varied, with notable correlation to the household income patterns. Around Ryde, almost 34 percent of residents hold a bachelor's degree, a significantly greater percentage than in the Primary Zone

²⁸⁹ Although these geographic boundaries may differ from some other political or locally-accepted definitions of the Legacy Communities, U.S. Census Bureau data from the American Community Survey was the best information available at the time the analysis was conducted.

and Delta overall. In contrast, over 26 percent of eastern Walnut Grove and Locke residents are without a high school diploma or GED. The figure is even higher around Courtland, where about 34 percent of residents do not have a high school diploma or GED. However, Courtland also has a relatively high percentage of college graduates.

2.2.2 Labor Force and Economy

Similar to the Primary Zone overall, Census Bureau data concerning the Legacy Communities indicate that these residential areas serve as bedroom communities for nearby cities such as Sacramento and Stockton (i.e., most residents of these communities do not work in there). In fact, only about 12 percent of working residents in the Legacy Communities hold jobs close to home, in the Sacramento River Corridor.²⁹⁰ Consistent with this finding, only about 15 percent of workers living in the Legacy Communities are employed in the agriculture, fishing, and forestry sector. However, agriculture sector workers make up a greater share of resident employment in eastern Walnut Grove and Locke (32 percent) and Clarksburg (25 percent). By comparison, only about one percent of workers living in Isleton are employed in the agriculture sector.

After agriculture, working residents of the Legacy Communities are commonly employed in the construction and education sectors, 11 percent and 10 percent respectively. In Isleton, almost one in five working residents has a construction industry job. In Courtland, nearly one quarter of working residents have a job in the education sector. In addition, closer to Sacramento, in the block group that includes Hood, nearly one quarter of working residents have a health care industry job. Residents are also commonly employed in manufacturing and administrative/waste services. Of employed residents in the Legacy Communities, approximately 64 percent are employed by for-profit enterprises, slightly lower than the roughly 68 percent observed in the Legal Delta.²⁹¹

Jobs based in the Legacy Communities are most concentrated in agriculture- and recreation-related sectors. Census Bureau data indicate that employment in these industries makes up well over half of the jobs in the Legacy Communities. There are also notable employment concentrations in the construction, education and health, and trade, transportation, and utilities sectors.

2.3 Planning and Regulatory Overview

The complex, multi-jurisdictional regulatory environment that exists in the Legacy Communities today creates uncertainty and risk for investors considering a variety of economic development initiatives, including opening or expanding small businesses. Local municipal agencies (cities and counties) exert regulatory control for many items requiring land use approval (including building permits, subdivision maps, etc.). In addition, state and federal agencies also possess regulatory power over land use decisions, particularly in the Primary Zone. Despite efforts to coordinate land use planning and regulation in the Legacy Communities (see Chapter 4: Review of Key Policies and Planning Process), the current regulatory framework creates a significant burden for economic development projects. In fact, it is the opinion of many Legacy Community stakeholders that regulatory discord between the local and state entities is a key factor influencing disinvestment in the Legacy Communities. Additional discussion of regulatory constraints can be found in section 3.2.2.

²⁹⁰ LED-LEHD inflow/outflow data

²⁹¹ US Census Bureau, American Community Survey 2005-09.

2.4 Notable Real Estate Development Projects

Over the past several years, many real estate development projects have been proposed throughout the Delta, both in the outlying Secondary Zone as well within the heart of the Primary Zone and even within the Legacy Communities. These projects can shed light upon key issues that should be considered as part of an economic strategy for the Legacy Communities and are briefly discussed below.

2.4.1 *Old Sugar Mill*

The Old Sugar Mill project in Clarksburg is an important example of the challenges associated with real estate development in the Legacy Communities. While the project as it exists today (a winery and event venue) is a success story, project proponents originally conceived a mixed-use plan with a housing component that did not receive regulatory approval.

Originally constructed in the late 1930s to process sugar beets, the sugar mill became an aging and dilapidated structure after the processing facility was shut down in 1993. Redevelopment plans called for a mixed-use village that would incorporate 162 residential dwelling units and significant commercial and industrial space, including micro-wineries and an events venue. The residential component would have nearly doubled the population of Clarksburg. The housing component of the project generated local concern over potential impacts to the Clarksburg's small-town character, which were evaluated and addressed throughout the project's environmental review process.



The project gained municipal approval from Yolo County in 2006. However, approval was also subject to the Delta Protection Commission's Land Use Management Plan. The Delta Protection Commission denied project approval in January 2007, citing flood control, residential/agricultural buffers, and residential density issues. According to local stakeholders, the ruling sent a strong signal to the development community and potential project investors concerning entitlement risk in the Primary Zone of the Delta.

Although the residential portion of the site was never constructed, project developers have moved forward with the rehabilitation and adaptive reuse of the sugar mill structure for commercial uses. The site is successfully operated today as a micro-winery and event facility. With programming such as the Delta Wine and Art Faire, the Old Sugar Mill has become a well-known visitor attraction and the primary venue for Clarksburg Appellation wine tasting.

2.4.2 Bogle Vineyards Delta Winery

Bogle Vineyards, a Clarksburg-based grape grower and wine maker, is expanding operations in Clarksburg. This development of a new winemaking facility is an important example of how public sector actors can facilitate development in the Legacy Communities. The new Bogle Vineyards Delta Winery facility in Clarksburg is located at the intersection of Jefferson Boulevard and Hamilton Road, outside of the developed town area, as shown in the map below.

Approved by Yolo County in 2010, construction is underway and the first phase is expected to be completed in 2011. Once fully completed, this winemaking facility will handle all aspects of wine production, from receiving and crushing grapes to packaging wine for shipment.

Yolo County streamlined the approval process for Bogle. Specifically, the latest Yolo County general plan designated 100 acres of Clarksburg for agricultural-industrial use. This designation simplified the project approval by negating the requirement for a General Plan amendment and associated environmental review under the California Environmental Quality Act (CEQA). In addition, the County is also considering reducing its development fees, subsidizing marketing efforts, relaxing regulatory standards, and using other methods to attract similar types of investment.²⁹²



The completion of the Bogle Vineyards Delta Winery will represent an important step in Clarksburg's continued evolution as a wine and food destination. For many years, processing facilities of this type were not easily developed in Clarksburg because of planning and zoning constraints. The facility contributes to the economic sustainability of the Delta by allowing Bogle to process grapes locally, retaining the added value of the final product within the Delta.

2.4.3 Isleton Residential Project

The recent failure of a significant residential project in Isleton demonstrates the potential scale and physical attributes of a sizable development project within the Legacy Communities, while it also reveals the market risk associated with residential development and small business in this area. In 2006, Del Valle Homes of Modesto broke ground on a 650-unit residential project in Isleton. The first phase of development covered forty acres, with plans for 250 single-family homes, which would have doubled the size of the town. The homes were proposed to be approximately 3,300 square feet over three stories, with garages on the ground floor, and situated on narrow lots. As construction on the project began, commercial property owners in Isleton started renovating their retail spaces and new businesses opened.

²⁹² Initial Study for Bogle Vineyards Delta Winery, Yolo County Planning and Public Works Department, November 2009.

However, by 2007, the economy had turned and Isleton was hit hard. As a result, only 18 of the 250 homes were built and none of these homes was offered for sale. The development project has completely halted, the model homes currently sit empty, and there are no known plans to resume the project. In addition to losses incurred by the developer, the failure of this project has negatively impacted the communities, as many of the newly opened stores have closed.²⁹³ Although there are many reasons for this project's woes, its failure demonstrates the notion that new home developments in the Legacy Communities should fit the scale, character, and market of the local area.

3 Economic Development Potential

As the Delta evolves as a place, there are likely to be numerous opportunities for the Legacy Communities to progress toward improved economic sustainability. However, these communities also face a variety of challenges and constraints that must be addressed. This section explores the potential prospects for economic prosperity in the Legacy Communities, with detailed consideration of the current limitations to growth and revitalization.

The Legacy Communities are largely a product of their environment, having developed over time along with the agriculture- and recreation-based economy in the Delta. Agriculture will likely remain the dominant economic sector in the Delta (see Chapter 7: Agriculture) and the Legacy Communities will continue to serve as economic hubs for agricultural workers and a variety of agriculture-related businesses. Looking forward, there will likely be opportunities for the Legacy Communities to continue to diversify their agriculture-related goods production and services and can look to the recreation sector as a significance contributor to the economic development potential of the Legacy Communities in the future. Delta recreation will strengthen and diversify in the future, as urban populations in Northern California increase. Under a baseline scenario, the Economic Sustainability Plan recreation analysis indicates potential for a 35 percent increase in recreation visitation to the Delta by 2050. Building on this growth potential, the recreation analysis presents potential recreation development strategies to diversify recreational offerings in the Delta (see Chapter 8: Recreation).

The Legacy Communities must also diversify business activities to satisfy the demands of visitors to the Delta. The Delta offers an array of scenic, historic, recreational, and agricultural attractions that if developed and marketed appropriately, could serve as an economic development driver in the Legacy Communities. For example, in areas where compelling recreation opportunities are proximate to Legacy Communities (e.g., Delta Meadows near eastern Walnut Grove and Locke), there are likely to be opportunities to develop visitor-targeted services and market a compelling tourism package. All of the Legacy Communities hold substantial potential in this regard. Recognizing the tremendous potential for recreation to catalyze growth in the Legacy Communities, this section focuses on strategic economic opportunities related to Delta recreation as well as overarching improvement concepts for the Legacy Communities.

3.1 Economic Development Opportunities

This section considers potential economic development opportunities in the Legacy Communities, including lodging and visitor amenities, historic preservation, design and planning improvements, and event programming (e.g., festivals and heritage celebrations). While this section offers some specific recommendations that align with and build upon some of the recreation recommendations in Chapter 8, economic sustainability in the Legacy Communities

²⁹³ City of Isleton and local real estate brokers

requires that planning efforts adapt and evolve over time. Factors affecting strategic planning include changing agricultural crop and production activities, the emergence of enhanced recreational opportunities, improved flood protection, demographic changes, and shifting market preferences.

Assuming that economic development opportunities in the Legacy Communities are generally limited to the current community footprints and logical extensions thereof, there are a multitude of opportunities and options for improving community gateways, connecting community anchors, rehabilitating and repurposing historic structures, and undertaking selective infill development projects to expand and diversify the local economy. These initiatives will involve the public and private sectors, with the public sector focused on securing infrastructure funding and ensuring workable land use policies, and the private sector deploying a combination of public and private sector financial resources with the intent of receiving returns commensurate with prevailing levels of risk.

3.1.1 Lodging and Visitor Amenities

There are very few lodging opportunities within all of the Legacy Communities. Although the Ryde Hotel is a historic landmark and local institution, it has reportedly struggled in recent years, despite strong revenue generation from weddings and other events. The only other formal lodging facilities within the Legacy Communities are in Isleton, and according to local sources, these motels are struggling as well. Altogether, the Legacy Communities offer fewer than 100 hotel rooms, none of which are modern or managed by major hospitality companies. While attracting more viable options for overnight lodging would help to bring additional people to the Delta, it would also present the opportunity to capture a much greater share of visitor spending.

The lack of new hotel rooms in the Legacy Communities reflects the risks associated with the development and operation of new lodging assets. While a major hotel or resort with modern amenities (e.g., personal services, retail offerings, etc.) would elevate the stature of the Delta, investment risks associated with uncertain market demand and project entitlement deter major hospitality groups from pursuing such projects. Further discouraging hospitality investments, the Delta has not been organized, branded, or marketed competitively within the region. Given current economic and policy conditions in the Delta, it is unlikely that major hotel or resort proposal will emerge within the next decade.

The seclusion of the Delta has become one of its main selling points, with restrictive permitting practices and challenging economic conditions creating a somewhat “sleepy” setting, contributing to the Delta’s mystique. As a result, opportunities exist to leverage the authentic historic character of the Legacy Communities, which attract a consumer segment that values unique cultural assets over national brands. Bed and breakfast lodging and campsite business opportunities are therefore realistic alternatives to more risky and expensive hotel or resort projects, though longer-term opportunities for such investments still exist, depending on local sentiments about growth and land use, as well as required entitlement and flood protection improvements.

The introduction of additional restaurants and other visitor-serving uses, integrated within key activity nodes, would be a natural fit as the Legacy Communities grow and diversify, though local stakeholders have emphasized the need to protect existing businesses by avoiding head-on competition to the extent possible. While a number of small museums and interpretative centers are in operation, economic development efforts could promote additional visitor-oriented

centers (e.g., Delta Discovery Center), possibly highlighting local food and agriculture, ecology and the environment, water infrastructure, or other local interest topics, making use of advanced-technology exhibits that capture the interest of families and a broad range of visitors.

Presenting (siting and designing) visitor amenities in a coordinated way throughout the Delta would go hand in hand with a concerted effort to increase the number of lodging rooms or other overnight accommodations. Increasing the number of overnight stays would greatly improve average visitor expenditures throughout the Delta, enhancing economic performance and long-run sustainability for the Legacy Communities.

3.1.2 Historic Preservation

There are many opportunities throughout the Delta to retain its rich history and to leverage distinctive architectural assets to attract visitors and generate economic benefits. Significant historic structures should be preserved and restored so that these exceptional resources are not lost forever. In particular, there is a tremendous opportunity for businesses in Locke to capitalize on the town's unique history and cultural value. By systematically restoring existing historic structures and enhancing opportunities for visitors to learn about and experience the area's heritage, while also raising its profile through marketing and branding efforts, Locke can be elevated as a tourist destination. In addition, the establishment of a National Heritage Area (NHA) that encompasses the Legacy Communities would generate specific benefits for historic preservation (see Chapter 8: Recreation).

3.1.3 Event Programming

Community events such as festivals and heritage celebrations are good opportunities to instill civic pride in Legacy Community residents and to raise the profile of the area to visitors from outside of the area. Although community events do currently occur in the Legacy Communities, they mostly draw from a shallow market and rarely spur multi-day tourist visits. Enhancing, growing, and strategically marketing events in the Legacy Communities presents an opportunity to capture increased tourism and spending, generating more economic activity to support businesses in the Legacy Communities.

While the Delta Chambers and individual event promoters currently publicize events throughout the Delta region, events and other programs in the Legacy Communities should be coordinated with an overarching marketing and branding strategy. Coordinating Delta branding and marketing will be crucial to expanding the current market penetration of Delta events, ideally attracting more visitors from San Francisco, Oakland, San Jose, and other major northern California cities to the Delta for longer stays, including overnight visits. A good example of regional tourism promotion is found in Monterey County, where the Convention and Visitors Bureau does an excellent job promoting regional tourism to specific market segments through various media channels, including the internet, radio, and television.



3.2 Economic Development Constraints

The potential for private sector economic development activities to be undertaken in the Legacy Communities is directly tied to risk-reward tradeoffs, as compared with alternative investment options. The quantification of risk and ability to generate enough revenue to satisfy a minimum

threshold rate of return (or discount rate²⁹⁴) associated with that risk is the primary determinant in an investor's decision to move forward with a project. Factors specific to Legacy Communities that affect the magnitude and certainty of investor return are discussed below in the context of catalyzing small-scale infill development that can bring additional housing, services, and amenities to existing communities and facilitating the recreational concepts contemplated by the Economic Sustainability Plan (see Chapter 8: Recreation), through the development of lodging, restaurants, and other visitor-related amenities. This section considers a variety of potential project risk factors in the Legacy Communities, including location, entitlement, market, financing, development, infrastructure, flood control, transportation, utilities, and communications characteristics.

3.2.1 Land and Location Characteristics.

Current land use management in and around the Legacy Communities ensures that greenfield land development potential will be very limited. Though there may be some unique exceptions, the regulatory limitations on land use force new development to infill development opportunities, primarily within the Legacy Communities. Infill development in this context brings a slew of specific development challenges, including:

- Irregularly-shaped parcels that complicate building design and construction
- Aged or insufficient infrastructure that requires upgrades
- Sub-surface issues (e.g., contamination) that may be poorly documented and costly
- Floodplain building requirements (e.g., elevated foundations) that complicate design²⁹⁵
- Challenges associated with renovating historic structures that increase project costs
- Financing for small-scale mixed use projects in untested markets that is very limited

Given these challenges and the generally high degree of complexity and uncertainty associated with infill development in the Legacy Communities, it will take a dedicated development team, and likely public sector partners, to successfully complete meaningful infill development projects that benefit the local economy.

3.2.2 Entitlement Characteristics

The risk characteristics of project entitlement in the Legacy Communities indicate that this is among the most risky investment climates for a real estate developer in the U.S. This characterization is primarily a function of the arduous entitlement process in the Primary Zone, in combination with instances of community opposition to growth within the Legacy Communities. The entitlement process for a project in a Legacy Community is extremely complex and time consuming. In some cases, approvals extended by a County may be overruled by the Delta Protection Commission, and involvement with multiple regulating agencies (e.g., U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, state government, county government, etc.) is expected for larger projects. The risk of being “bounced” between multiple agencies during the entitlement process was showcased in the recent rejection of the residential portion of the Sugar Mill project in Clarksburg.

The diagram below (Figure 41) represents a typical project entitlement process in the Primary Zone portion of Sacramento County and identifies potential areas that could add additional time and risk to an already lengthy process. As a project proponent develops conceptual plans,

²⁹⁴ The discount rate is the targeted internal rate of return on an initial investment that accounts for all inherent project risks.

²⁹⁵ National Flood Insurance Program (FEMA)

proactive input from both the Local Community Councils and the Delta Conservancy are recommended to align the project direction with Community Plans and the Conservancy's legislative concerns. In addition, there may be additional input from community associations as in the case of Locke, or historic preservation requirements.

Following the initial input, the project will undergo the county approval process. This multi-layered procedure includes input from multiple local, county, and state agencies and includes pre-submittal review, initial review, applicant response, environmental documentation (CEQA), public hearings, appeal procedures, and determination. Approval is also subject to the requirements of the DPC's Land Use and Resource Management Plan.

As part of the Delta Plan, the Delta Stewardship Council (DSC) is proposing a new layer of project review and approval in the Delta. The Draft Delta Plan refers to "covered actions", projects which would receive additional scrutiny to determine their consistency with the State's coequal goals for the Delta. Determination of covered actions and DSC review are currently being developed and the ultimate requirements of the Delta Plan will have great impact on the length and financial risk associated with project proposals. For example, it is contemplated that the completion of CEQA documentation, a lengthy and costly process, may be necessary prior to DSC review and a subsequent 30-day appeal window, creating a major risk for potential investors. In addition, it may be that determination of a covered action requires a county board of supervisors calendar item, a condition that will greatly increase the burden of the process, as compared with determination at staff level. There is also the question of whether this determination will require a public hearing. While the number of non-local agencies involved with permitting is consistent with other natural areas in California, it is far greater than in typical infill locations. Together, these entitlement processes create risks associated with increased permitting time, expense, and success probability.

Box 7 Improving the Entitlement Process: A Brief Case Study of Lake Tahoe

The entitlement dynamic in the Primary Zone of the Delta is a very powerful deterrent to investment. As has been demonstrated in the Lake Tahoe area, the approval uncertainty involving both county governments and the Tahoe Regional Planning Agency (TRPA) has effectively curtailed development of visitor accommodations and other investments along the North Shore of Lake Tahoe over decades, resulting in a motel room stock with an average age of 50 years, despite immediate proximity to a world-renowned natural resource attraction (according to Smith Travel Research and Economic & Planning Systems, Inc.). This uncertainty stems largely from two key factors that are comparable within the Delta. First, the TRPA and the counties' development regulations are developed from distinct mandates, and although they are intended to be coordinated, language in the codes that is subject to interpretation or is not clearly directive is interpreted by each agency under their own filter sets. Second, as each agency updates its regulatory policies, coordination within the two agencies continually lags as a result of update timelines, staffing, processing, and other factors.

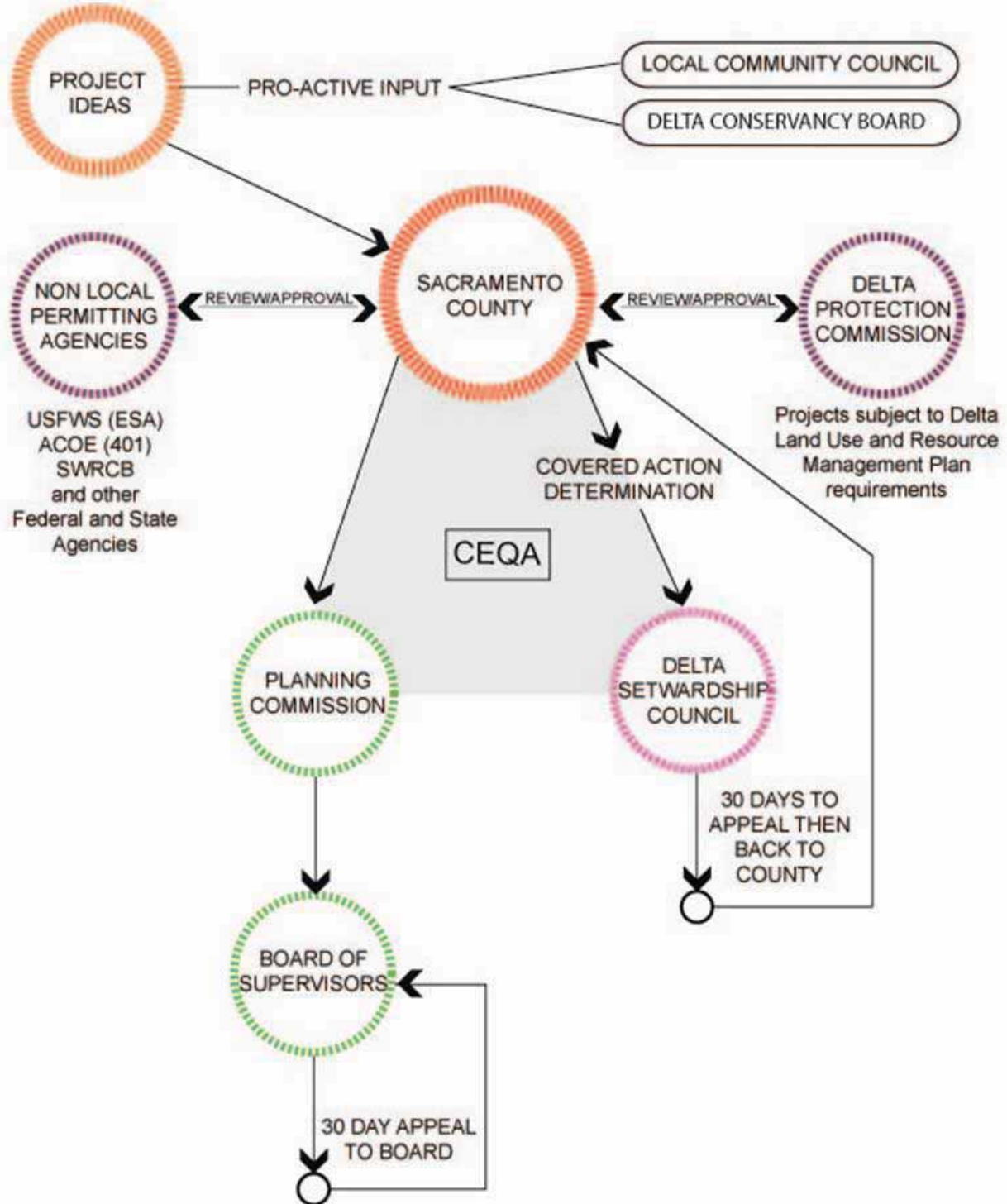
In the case of Tahoe, steps are presently being taken to reform the development approval process to allow projects that use best management practices (BMPs) that minimize environmental impacts (e.g., storm water runoff), advanced infrastructure systems, and planning concepts that cluster development in a village format, protecting viewsheds and public access to the Lake.

As part of a pilot project program, projects that adhere to these key elements have an opportunity to receive coordinated development approvals and avoid the "whipsaw" effect resulting from inconsistent standards among disparate agencies. While this process is still being refined in Tahoe and is subject to an ongoing debate between various interests, it does indicate a potential direction for the DPC, counties, and other regulators in the Delta. Clear delineation and consistent interpretation and enforcement of entitlements will immensely improve prospects for attracting investment, even if these regulations remain appropriately stringent.

It is also notable that most of the local Community Plans were prepared in the 1980s and their CEQA documentation is in need of updating. As a result, coordination between the Community Plans, Conservancy concerns, DPC and DSC requirements, and other agencies is likely to be

problematic for project proponents. While many project approvals require this type of inter-agency coordination, coordination with the DPC and potentially DSC is significantly beyond what would be required in areas outside the Delta, and thus presents additional potential stumbling blocks and risk.

Figure 41 Framework for Project Approval in Unincorporated Sacramento County/Primary Zone



Updated planning and associated CEQA documentation will help to improve coordination and reduce development risk in the Legacy Communities. A Programmatic Environmental Impact Report (EIR) for the Community Plans should be considered. A Programmatic EIR may be prepared on a series of actions that can be characterized as one large project (i.e., related by geography, actions, rules, regulations, plans, or other general criteria) or as individual activities under the same statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.²⁹⁶ Use of the Program EIR enables the Lead Agency to characterize the overall program as the project being approved at that time. When individual activities within the program are proposed, the lead agency is required to examine the individual activities to determine whether their effects were fully analyzed in the Program EIR. If so, these may be categorically exempt from further environmental review. If not, additional review may be necessary.

The ability to consolidate the concerns of multiple agencies and organizations within a comprehensive environmental document is a valuable tool used by numerous regulatory agencies to provide clarity and certainty in evaluating development proposals. A simplified, streamlined entitlement process is needed to encourage investment and economic development. However, changes to the entitlement process, as with other aspects of promoting growth and diversification in the Legacy Communities, should be vetted and refined through an extended community outreach processes, to ensure that local support for candidate projects is in place.

3.2.3 Project Planning and Market Concerns

Given the unique nature and small scale of potential infill development in the Legacy Communities, many of the typical market demand metrics used by developers and investors, such as regional economic projections and standard real estate market analysis techniques are of limited value. In the Legacy Communities, development opportunities are fine-grained and require dedicated “champions” to see through well-conceived and appropriate concepts. In many cases, success or failure relies on the quality of the project proponent to a greater degree than economic fundamentals (though the current economic environment is prohibitive).

Development that occurs in the Legacy Communities will likely occur “organically,” evolving in small increments over the mid- to long-term, with very few opportunities for large master-planned concepts.²⁹⁷ With limited population densities around the Legacy Communities, many typical urban consumer services are not economically feasible (e.g., standard-format shopping centers with supermarkets and related in-line shops generally require at least 3,000 dwelling units). As such, the mainstream real estate development industry is likely to bypass the Delta, based on the inherent market risks, including constrained growth potential and seasonality concerns. Meaningful investment and economic diversification through infill development will most likely be brought about by local economic developers that are interested in improving the community in addition to turning a profit.

Development in this context often requires a public-private partnership, where strategic public investments are made in coordination with private-sector catalyst projects, with a shared vision of future community form and function. While there are numerous examples of successful public-private real estate projects, a very small slice of the development community possesses

²⁹⁶ CEQA Guidelines § 15168(a)(b)

²⁹⁷ The 20-year evolution of 4th Street in Berkeley by developer Denny Abrams is a good example of “organic development” in which a local developer with a long-term vision and dedicated to a parcel-by-parcel approach often subsidizes specific users to achieve ideal land use/tenanting mix.

the skills, dedication, and interest in engaging in this type of development. Further, public agencies presently lack the financial resources to expand redevelopment efforts or fund infrastructure and public services.²⁹⁸ However, establishment of an investment fund for economic development could successfully attract developers to partnership projection. For this approach to work, public agencies would need to clarify the over-arching vision of the Delta, including the Legacy Communities. Currently, the lack of public sector coordination in the Delta undermines the public perception of the region, limits market potential, and hinders investor interest in the region.

3.2.4 Development Financing

Construction and financing issues are closely related to the entitlement risks discussed earlier in this section. In particular, the requirements for new development in a floodplain are particularly burdensome. These costs include flood insurance and the cost (and likely infeasibility) of raising foundations above base flood elevations in established, urbanized areas.

Alternatively, levee improvements that reduce flood risks are also staggeringly high (see Chapter 5 for detailed discussion of Delta levees). With costs which might be as much as \$5 million per mile,²⁹⁹ to upgrade levees and protect Legacy Communities from the 100-year flood event, it is clear that local real estate development ventures and existing businesses and residents cannot carry the cost of such improvements solely through local reclamation districts.

This issue demands further consideration and is described further in section 3.2.6 below. Development financing requires that flood risks be addressed. Without undesirable project modifications or further investment in levees or relief from excessive regulatory requirements, financial institutions cannot support development in the Legacy Communities.

3.2.5 Investment and Development

For a land development project entailing substantial complexity and risk, a required return on investment (also known as a “discount rate”)³⁰⁰ will typically be in the range of 15 to 25 percent or more. The table below provides an example of a typical discount rate summary sheet that an investor might consider in attempting to quantify the potential return on investment.

²⁹⁸ In this regard, the concept of facilitating additional workforce housing must be tempered with the reality that adequate social and public safety services may be difficult to maintain in an unincorporated area.

²⁹⁹ Personal communication with Bob Pyke, consulting engineer.

³⁰⁰ Expressed as an internal rate of return (IRR).

Table 55 Discount Rate Requirements

| Risk Type | Risk Premium Range | Pertinent Issues in Legacy Communities | Estimated Risk Premium [1] |
|-------------------------------------|--------------------|----------------------------------------------------------------------------------|----------------------------|
| Land and Location Characteristics | 2-10% | Removed from urbanized areas, lack of infrastructure, environmental issues, etc. | 8% |
| Entitlement Risks | 0-10% | Extremely complex entitlement process | 8% |
| Project Planning Risks | 2-10% | Inflexible zoning; reduced ability to respond to market fluctuations | 8% |
| Development/ Construction Risks | 2-6% | Flood risks, environmental issues, etc. | 5% |
| Financing Risks | 1-6% | Case specific; conservatively assumes low-level financing risks | 6% |
| Market Risks | 1-10% | Lack of market area growth, poor performance of previous projects | 8% |
| Cash Flow Projection Risks | (2)-5% | Case-specific; conservatively assumes low-level cash projection risks | 2% |
| Base Discount Rate | | T-Bond with 10 year maturity, (September, 2011) | 2% |
| Total Estimated Risk Premium | 6-57% | | 47% |

[1] These values are provided as high-level illustrative estimates.

Source: Economic & Planning Systems, Inc.

Risks and uncertainties associated with infill development in the Legacy Communities are clearly at the high end of the spectrum, putting the required rate of return for development well outside the typical range of 15 to 25 percent. With a concerted effort to mitigate identified problems, however, Legacy Community projects could become more reasonable investments, attractive to patient and insightful developers interested in community development, particularly if strongly backed with public funding and coordination on infrastructure, flood control, and other key issues.

3.2.6 Flood Control

Establishing adequate flood protection is a crucial issue which severely constrains development in the Delta. New development must be protected from 100-year flood risk or meet strict building requirements that limit potential damages from a flood event.

3.2.6.1 The National Flood Insurance Program

The National Flood Insurance Program (NFIP) is administered primarily under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (FDPA). The FDPA made the purchase of flood insurance mandatory for the protection of property located in a Special Flood Hazard Area (SFHA) in participating communities. The Act of 1973 expanded the NFIP by increasing limits of coverage and the aggregate insurance authorized by establishing requirements for communities that wish to participate in the program. In 1979, the Federal Emergency Management Agency (FEMA) was established as an independent agency, absorbing the Federal Insurance Administration and the NFIP.

Today, nearly 20,000 communities across the United States participate in the NFIP. By adopting and enforcing floodplain management ordinances that reduce the potential for severe flood damage, communities qualify local homeowners, renters, and business owners for federally-backed flood insurance. For a community to enter the program, FEMA must conduct a Flood Insurance Study (FIS) which analyzes river flows, storm tides, hydrologic/hydraulic factors, and rainfall and topographic surveys. FEMA then uses these data to create the flood hazard maps that outline a community's different flood risk areas. Once FEMA provides a community with the flood hazard information upon which floodplain management regulations are based, the community is required to adopt a floodplain management ordinance that meets or exceeds the minimum NFIP requirements. The purpose of the floodplain management regulations is to ensure that participating communities take into account flood hazards, to the extent that they are known, in all official actions relating to land management and use.³⁰¹

FEMA has determined that several areas within Sacramento County, including Walnut Grove, Freeport, Hood, Courtland, Locke, and Delta Islands will be affected by revised flood insurance maps. FEMA recently remapped Yolo County, de-accrediting levees that protect Clarksburg. Currently, in Sacramento County, unless a developer with a pending or proposed project agrees to construct above the base flood elevation, as required by the County's Floodplain Management Ordinance, staff cannot approve the issuance of a Floodplain Management Permit for projects in decertification areas. Commercial and industrial projects may be considered below the flood hazard elevation on a case-by-case basis, if designed in a manner deemed to be flood-proofed. All new homes and substantial improvements or repairs must be elevated above the flood hazard.³⁰²

There are special considerations for levees that protect Legacy Communities in the Delta (see Appendix D). Detailed estimation of the likely cost of improving those levees awaits policy decisions that have not yet been made. However, if the levees on the relevant islands are upgraded to the proposed new Delta standard recommended by the ESP (see Chapter 5), the Legacy Communities, and also industrial/commercial facilities that serve Delta agriculture such as wineries and cold storage facilities, would automatically be afforded superior flood protection and special "ring levees" should not be required. In many cases superior flood protection is already provided to these communities and facilities by the existing project levees. For instance, the project levee that borders the Sacramento River in eastern Walnut Grove already has a wide crown, exceeding 50 feet at some locations, in order to accommodate a two-lane highway with parking on either side. While some additional improvements might be required elsewhere to protect Legacy Communities, the issue is more attributable to non-compliance with vegetation, encroachment, and calculated seepage gradient requirements than real flood risk. FEMA compliance issues could likely be addressed much more cost effectively through variances from federal standards than construction, which has the potential to destroy the communities these plans are created to protect.

3.2.7 Transportation and Access

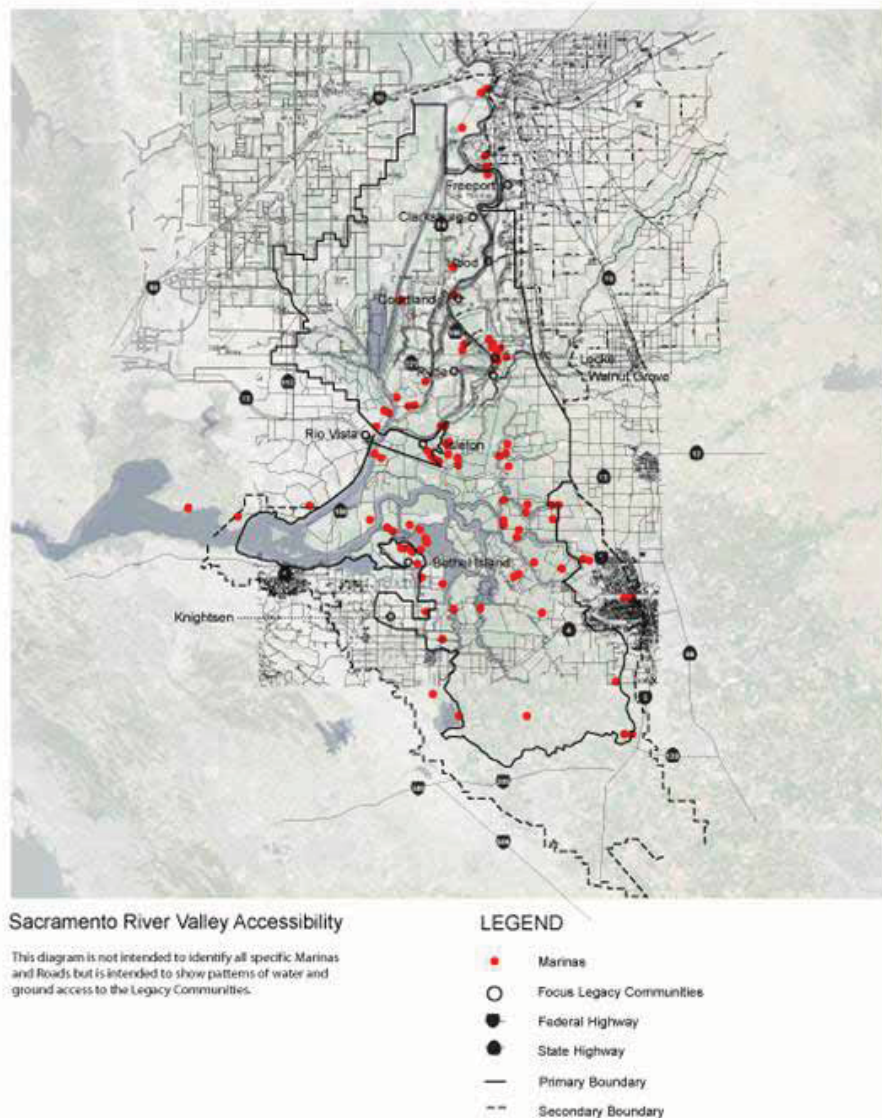
By land, access to the Legacy Communities is constrained. Local levy roads are narrow and dangerous. Generally, these roads cannot be widened without substantial costs. Access to the

³⁰¹ FEMA (<http://www.fema.gov/about/programs/nfip/index.shtm>)

³⁰² "Substantial improvement" (as defined by FEMA) refers to any reconstruction or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure. However, substantial improvement does not include either (1) any project for improvement of a structure to comply with existing state or local health, sanitary, or safety code specifications which are solely necessary to assure safe living conditions or (2) any alteration of a "Historic Structure."

Legacy Communities is more limited by water, as boat launch locations and short-term slips for visitor docking appear to be undersupplied. While transportation and access to the Legacy Communities does not seem to be a primary constraint for economic development today, it is important to recognize that limitations in this area do affect investment decisions and that future growth could require significant investments in transportation and access. In some instances, transportation and access improvements could spur investment, though additional study is required to identify such strategic transportation and access projects.³⁰³

Figure 42 Sacramento River Valley Accessibility³⁰⁴



³⁰³ Infrastructure in the Delta is addressed in detail in Chapter 9.

³⁰⁴ For high resolution image see <http://forecast.pacific.edu/desp-figs.html>

Box 8 Case Study Framework Examples: Sutter Creek and Winters

Other communities in the region have newly created (or in some cases longstanding) programs and policies that lend themselves to establishing a “brand” or strategic direction that contributes to economic sustainability, community vitality, and civic engagement on the part of residents and visitors alike. As a result, these communities are thriving, small-scale, functional towns that serve as local and regional hubs of activity.

Sutter Creek and Winters, discussed below, might serve as models for economic and cultural enhancement in the Legacy Communities. These distinctly different communities, in dissimilar physical settings, point to directions in which the Legacy Communities could possibly evolve and remain viable into the future.

Sutter Creek in Amador County, California (population 2,500) has established a co-brand with other nearby towns in the Gold Country as well as with California’s “Golden Chain Highway 49.” Sutter Creek has been able to capitalize on its historical roots, developing as a retail and service hub for residents and visitors. Some key elements of the town’s success include the following:

- Well-preserved architecture
- New development that complements existing buildings in the historic core
- Clean public and private realms
- Amenities include post office, retail, and restaurants
- Walkable streets
- Active business association
- City-sponsored website and Facebook page
- Comprehensive marketing efforts promoting festivals, events, attractions, and destinations
- Brand focus on tourism, wine, and antiques
- Regularly occurring, year-round community programming



Main Street, Sutter Creek, CA



Winters, in western Yolo County, California (population 6,600) is cultivating a brand centered on wine, slow food, and agriculture. Regionally-acclaimed eating and entertainment establishments such as the Buckhorn Steakhouse restaurant and Palms Playhouse are popular with locals and visitors alike, and attract clientele from throughout the region. Some key elements of the town’s success include the following:

- Quality historic preservation
- Redevelopment efforts including streetscape, park, pedestrian bridge
- Walkable streets
- City-sponsored website, Facebook page, and Twitter account
- Brand focus on food, agricultural heritage, and wineries
- Economic Advisory Committee
- Numerous local events (e.g., Tempfest, Plein Air Festival)



Main Street, Winters, CA



3.2.8 Water and Sewer

Many of the Legacy Communities suffer from inadequate water and sewer infrastructure facilities. For example, Clarksburg has no regional sewer or water infrastructure. Instead, each developed parcel in Clarksburg is served by its own well and septic system. This condition prevents sustainable development of the community in the long term, primarily in terms of potential effects on public health and water quality.

There are no plans to provide municipal services to the community. If any meaningful development is to be implemented in the future, the issue of sewer and water services must be solved, which is a significant barrier to growth. Water and sewer limitations were significant issues in the planning of the Old Sugar Mill and Bogle Delta Winery projects, although these issues were ultimately resolved through the engineering and design of expanded wells, self-contained wastewater treatment facilities, packing plants, and other methods.

The western portion of Walnut Grove is served by California American Water and the eastern portion is served by Sacramento County Water Agency, as is the community of Hood. The entirety of Walnut Grove, Courtland, and Locke are served by the Sacramento County Sewer District for wastewater services. With water and sewer service in place, these Legacy Communities are somewhat better positioned for new development.³⁰⁵

3.2.9 Telecommunications

Currently, the cellular telephone coverage is inconsistent throughout the Delta, although service providers are reportedly working to enhance their service. In addition, internet access in most Delta communities is very limited, which prevents certain businesses and “telecommuters” from operating and working in some areas of the Delta. Where limitations exist, improved digital connectivity would be significant step in enhancing the economic competitiveness of the Legacy Communities.³⁰⁶

4 Overarching Implementation Strategies

There are a number of overarching economic development strategies that apply to all Legacy Communities which should be carried out in order to enhance the prospects for economic sustainability in the Delta.

Investment Fund. The “Delta Investment Fund” has been established to help achieve economic development goals in the Primary Zone, although funding sources have not been secured at this time. Moving forward, financial resources should be directed to key initiatives that will enhance economic activity. Priority uses of this funding might include infrastructure improvements, gap funding for catalytic development projects, economic development assistance, and marketing/branding efforts.

Strategic Levee Protection. Obtaining adequate flood protection is of the utmost importance to fostering economic sustainability in the Delta. Although costly, new and improved levees will encourage investment and reinvestment in some Legacy Community areas where flood protection is currently inadequate. Strategic levee enhancements to protect key assets should be carried out using any existing or new funding sources.

³⁰⁵ Ibid.

³⁰⁶ Ibid.

Streamlined Entitlement Process. As discussed throughout this chapter, the complex, multi-jurisdictional entitlement process severely limits the ability for new projects to be brought to market. A more transparent, understandable, and predictable entitlement process would greatly reduce the risk in new economic endeavors in the Primary Zone. Technical assistance and the creation of an “entitlement handbook” for prospective investors (to assist in evaluating potential projects) would facilitate project evaluation, planning, and development.

Historic Preservation. The Legacy Communities offer a unique sense of place and history that should be preserved for future generations. However, as structures age and communities decline, reinvestment and new investment in real estate assets is critical to economic sustainability. Development projects that are consistent with the existing community fabric should be encouraged, particularly as a strategy to retain and recruit businesses in the Legacy Communities.

Coordinated Economic Development. Although many economic development initiatives are already underway in the Delta, these efforts (along with new initiatives) should be coordinated in a systematic way that will maximize the benefit to the area as a whole. A singular “facilitator organization” should be designated responsibility for planning, coordinating, and managing economic development efforts. One key component of this effort should be a coordinated, highly-visible branding campaign that is used to raise the profile of the Delta and its constituent communities for the purposes of tourism and agricultural enhancement. In addition, helping to secure tax incentives and other local and regional economic development tools should be part of this organization’s charge.

5 Focused Evaluation of Clarksburg, Walnut Grove, and Locke

In this section, the Economic Sustainability Plan considers three Legacy Communities in detail, providing an overview of each community, a potential “vision” for the future, and specific economic development goals that are consistent with the vision. The assessment focuses on Clarksburg, Walnut Grove, and Locke, three distinct communities that generally reflect the broad range of community typologies found in the Primary Zone of the Delta.

5.1 Clarksburg Overview

This overview considers the history and socioeconomics within the Legacy Community of Clarksburg.

5.1.1 History

Like other towns on the Sacramento River in the Delta, Clarksburg grew to serve the early farmers who arrived shortly after gold was discovered in 1849. Historical accounts of Clarksburg indicate that it was settled in stages beginning as early as 1850. Farmers and hunters built homes on pilings or boats to survive the continual flooding of the area. Immigrants flocked to California from the United States, Europe, and later from Asia. To get to the gold fields from San Francisco, early “49ers” traveled by boat up the Sacramento River, observing the vast rich areas of the Delta along the way. In Clarksburg, the first settlers included Josiah Green on the upper end of Merritt Island and a Portuguese settlement on the lower end of Lisbon Tract. Green purchased property from an agent in San Francisco and arrived to find the land flooded. Green subsequently built levees around his property, reportedly the first reclamation project in the Delta.³⁰⁷

³⁰⁷ Background Report on Land Use and Development, Delta Protection Commission, 1994.

In 1916, the Holland Land Company refinanced the holdings of the failed Netherlands Farm Company, located their headquarters just outside Clarksburg, and built levees, canals, roads, bridges, power lines, and more than 90 buildings.³⁰⁸ The property was subdivided and sold for farming. Sugar beets were the primary crop on the Holland Tract, and Clarksburg quickly became a commercial and social center in the area. The Sugar Mill refinery was constructed in 1934-35 and was the primary economic center of the community until it stopped operations in 1993 and finally closed in 1990.

During its sugar beet farming period, Clarksburg grew into a complete community, with schools, churches, a library, a fire district, retail businesses, as well as a wide array of civic organizations. The building stock in Clarksburg still reflects the community's history and growth patterns, with older homes and structures located adjacent to the levee and more recent development adjacent to the agricultural lands. At the heart of the community are the Delta Elementary Charter School, Clarksburg Middle School, and Delta High School. At each end of the community are industrial lands, with the Old Sugar Mill to the north and Ramos Oil to the South. The commercial district is concentrated on Clarksburg Road, between South River Road and Willow Avenue.

5.1.2 Socioeconomics

Today, the area that comprises the Clarksburg Census Block Groups contains approximately 1,275 people. Though it is a multi-generational community, Clarksburg's population is characterized by an older age profile, with over 30 percent of residents age 55 and up (as compared to approximately 20 percent in the Legal Delta). The residents of Clarksburg are generally White, with residents identifying themselves as "White alone" making up approximately 91 percent of the population (significantly higher than the 57 percent in the Legal Delta). Household income in Clarksburg is similar to that of the Legal Delta at about \$81,000 per year.

Although 18 percent of Clarksburg residents work in Clarksburg, over four out of five working residents commute to work elsewhere. The labor force residing in Clarksburg commutes to various locations throughout Northern California, most notably, the City of Sacramento. Clarksburg jobs are filled by employees living throughout the region, particularly from Sacramento, Elk Grove, West Sacramento, and Rio Vista. However, 17 percent of Clarksburg jobs are held by residents of the community, which is a relatively high proportion compared to the other Legacy Communities.

Following the collapse of the sugar beet processing in the region, Clarksburg's farmers were forced to adapt by growing new crops. Owing to its climate and fertile ground, wine grape production has become very successful in the area. Clarksburg is now a major producer of wine grapes for export and local wine production. With the opening of many local family and corporate wineries and the recent renovation of the Old Sugar Mill as an event center and wine co-op providing a venue for nearby wineries to directly market their products to tourists from throughout the region, Clarksburg is enjoying an agricultural renaissance.

Culturally, Clarksburg has been—and continues to be—home to families that share common community values, particularly related to good stewardship of the land. Volunteer organizations (e.g., fire department), local schools, and churches continue to be central to the community fabric. While many of residents must commute to jobs in Sacramento and other cities, and

³⁰⁸ County of Yolo, Clarksburg General Plan Historical Perspective.

commercial businesses in town have dwindled over time, the residential community and its local farming traditions continue to thrive in Clarksburg.

5.2 Vision for Clarksburg: A Vibrant Agricultural Community

Clarksburg's primary competitive advantage as a community is its agricultural abundance. This region is known to produce exceptional agricultural products, most notably wine grapes and other wine products, and the culture of the town is very supportive of this agricultural heritage. Continued community sustainability in Clarksburg will depend upon several key factors:

- Because the community is predominantly built out within the Urban Limit Line, and the fact that there is no water or sewer infrastructure, maintaining and upgrading the existing building stock will be essential to maintaining its character and desirability. While many of the residential lots are zoned for multi-family, the density of these properties is low and most sites are already occupied by single family houses. The recent designation of Clarksburg as a deep floodplain creates significant obstacles to residential remodeling and construction. In addition, regulatory hurdles adopted and proposed by the State will further increase costs or prohibit residential development altogether.
- The recent successful appeal of the multi-use (i.e., commercial, industrial, and residential) specific plan proposed for the Sugar Mill site highlights the regulatory uncertainty confronting proposals that include increasing residential density within the Urban Limit Line of an existing primary zone community. The Sugar Mill occupies approximately 35 percent of the land within the Urban Limit Line. This site is the most appropriate for infill development, provided regulatory uncertainties are successfully addressed in the planning process. The community, the county and the State must resolve the vision and policies for this site if it is to be successfully integrated into the community and the Delta region as an agritourism destination.
- A community of this size does not support a local commercial/retail sector as is evidenced by the commercial vacancies and one small local market. In addition, Clarksburg is less than 6 miles from the retail/commercial services at Pocket Road and Meadowview Road in Sacramento. Clarksburg has already begun to establish a local agritourism center in the Sugar Mill representing local, family-owned wineries. To enhance its regional draw, additional overnight accommodations, food and wine venues, and support services should be encouraged. However, unless the regulatory hurdles proposed by the State are successfully addressed, the risks associated with restoration and enhancement of structures will inhibit sustainability.
- Although it has a small private marina, Clarksburg does not have extensive waterfront development along the river. Public investment in enhancing this link has the potential to greatly increase access to the community for the significant numbers of water-based users.
- The 2030 General Plan currently designates the various school sites as Public/ Quasi-Public. If a future consolidation within the school district closes the middle and/or high schools, the community will need to assess the most appropriate use for the site, given the limitations of community infrastructure and services.
- The complete absence of water and sewer infrastructure within the community means that either a project will have to have enough density to create its own treatment facility (as the Old Sugar Mill Specific Plan proposed), or small enough to be served by an on-site septic

system. The provision of community-wide infrastructure within the Urban Limit Line would not only facilitate agritourism development, but would also protect the long-term health of residents.

An economically sustainable vision for Clarksburg should build upon the momentum already gained in this key sector, while continuing to selectively add to the suite of local- and visitor-serving amenities in the community. Key tenets of the vision for Clarksburg include the following:

Preserved Historic Character: Clarksburg's established, attractive, and high-quality building stock should be maintained and/or enhanced. Planning should identify adaptive reuse opportunities and assess their potential benefits to the community.

Establishment as a Regional Food and Wine Destination: Over the last 25 years, the Clarksburg region has emerged as a premier Chardonnay-producing area, and the Clarksburg appellation is coming into its own as a high-quality wine grape-growing region. Clarksburg has the potential to become a regional destination by enhancing the current offerings and adding high-quality visitor attractions related to wine, vineyards, slow food, and the "loco-vore" movement.

Enhanced Resident and Visitor Amenities: Opportunities to add a variety of resident- and visitor-serving amenities should be carefully evaluated. Such uses could potentially include retail stores, restaurants, wine tasting rooms, and small-scale lodging (e.g., bed and breakfast establishments).

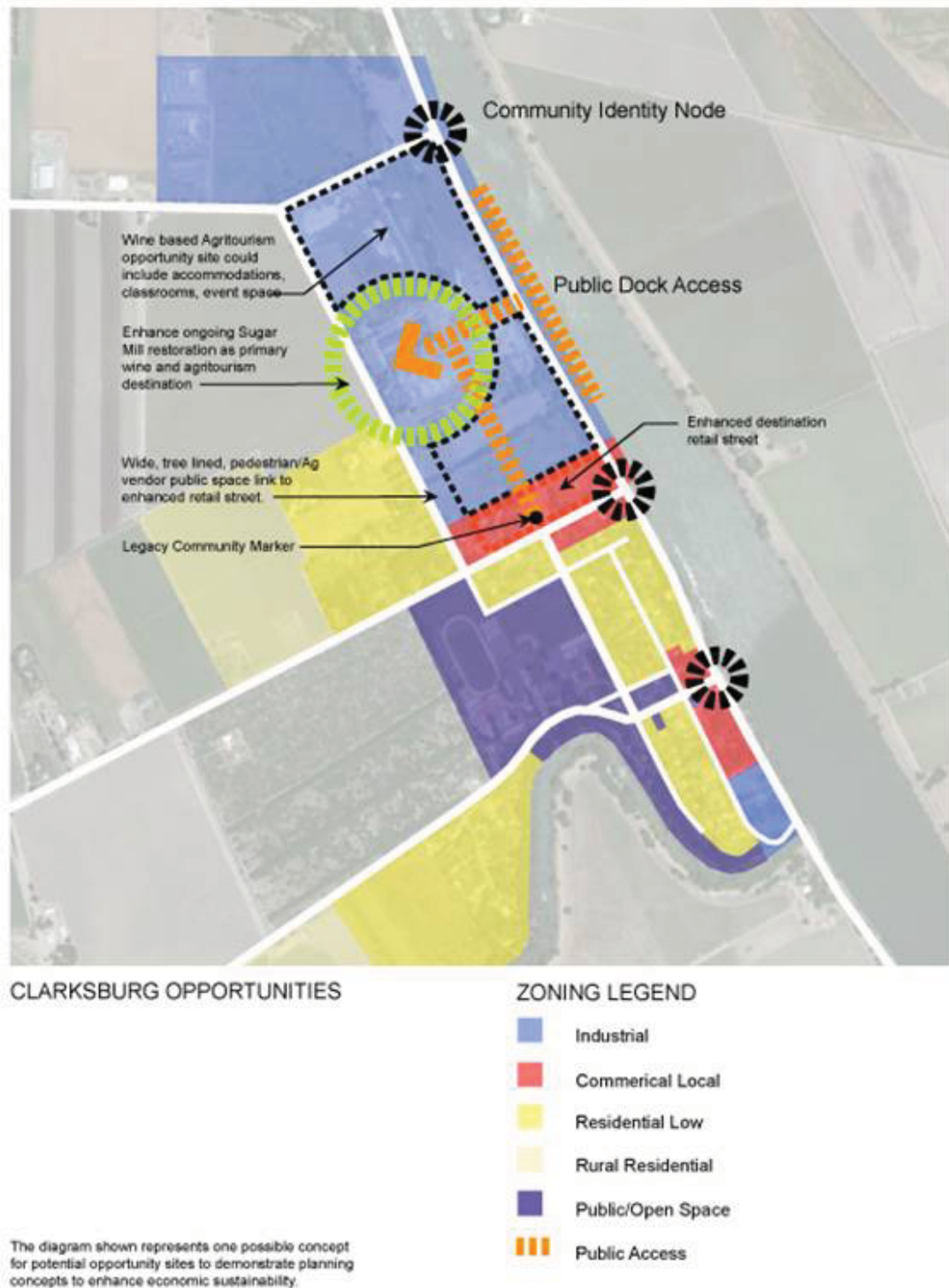
Increased Value-Added Agriculture Processing: In order to provide jobs and increase personal income created and retained within the community, select value-added processing facilities should be encouraged.

Figure 43 below shows a visionary plan for Clarksburg. Key information and aspects of this vision include the following:

- Clarksburg is primarily a single-family residential community with a strong relationship to agriculture and community institutions. This is supported by its physical layout and focus on organizations such as the charter school, library, churches, and civic groups. There are few vacant lots and there is limited opportunity for additional single-family residential development.
- The primary opportunity in Clarksburg continues to be the Old Sugar Mill property. Accounting for approximately 35 percent of the land area, redevelopment on this property has already created an agritourism destination within a 20-minute drive of Sacramento. This property provides additional opportunities to enhance agritourism with the potential for additional wineries, food services, entertainment, retail, and educational venues.
- Although the application for a multi-use specific plan on the site was blocked, an opportunity for visitor lodgings exists, dependent upon the will of the community and the availability of private investment. This type of use could potentially create a catalyst for additional commercial activity.

- The neighborhood commercial area at the entry to the community on Clarksburg Road is underutilized. There is the opportunity to reposition this area to serve both the residents and visitors to the area.
- While the commercial area serves as a buffer between the residential neighborhood and the Old Sugar Mill, an active, wide, linear pedestrian and food vendor connection between the site and the residents along the School Street right-of-way has the potential to provide local agriculture providers a place to sell their products and an active place-making link between the visitor focused uses and the residents.
- Boat access to the community and Sugar Mill could be greatly improved with a public boat dock with pedestrian links across South River Road.
- As with all of the Legacy Communities, its history and relationship to the river and agriculture are rich with character. The display and teaching of this history through interpretative Legacy Community markers is an opportunity for both residents and visitors.
- Clarksburg's three primary entry points from South River Road are Willow Point Road, Clarksburg Road, and Netherlands Road. There are opportunities to create "community identity nodes" at these intersections to create identification and way finding for out-of-town visitors to the area.

Figure 43 Clarksburg Vision and Opportunity Sites³⁰⁹



³⁰⁹ For high resolution image see <http://forecast.pacific.edu/desp-figs.html>

5.2.1 Economic Development Goals for Clarksburg

Based on the planning concept and rationale presented above, the Economic Sustainability Plan recommends the following high-level goals for economic development in Clarksburg.

- Growth in the wine and viticulture industry, including local crushing, fermentation, bottling, and storage facilities
- New agriculture-related businesses, building on the success of the Old Sugar Mill
- Increased tourism, particularly agritourism activities (e.g., farm stays)
- New businesses offering locally-produced agricultural products
- Basic support services for tourists and visitors (e.g., boat-docking facility)
- Localized branding that is consistent with an overarching Delta brand
- Retention of existing local businesses

5.3 Walnut Grove and Locke Overview

This overview considers the history and socioeconomics within the Legacy Communities of Walnut Grove and Locke.

5.3.1 Walnut Grove History

Walnut Grove is one of the oldest towns in the Delta, founded in 1850-51 by John W. Sharp, who established a general store, brickyard, blacksmith shop, lumber mill, and one of the earliest post offices in the west. Sharp also opened the first hotel, school, and ferry operation (across the river). The town, which developed on both sides of the river, quickly prospered as an agricultural center and riverboat stop.³¹⁰ By 1865, Walnut Grove had become a major shipping port for agricultural products and fish. Walnut Grove played an important economic role in the region, providing goods, services, and workforce housing.

After Sharp's death in 1880, the town continued to flourish. The two sides of Walnut Grove evolved separately, with the east side of town emerging as the commercial and business center. In these early years, Chinese businessmen created a vibrant service and entertainment center serving Chinese agricultural workers. Just before the turn of the century, Japanese businessmen settled in Walnut Grove, opening numerous businesses to serve the community. By 1905, Japanese immigrants were farming nearly 80 percent of the land around Walnut Grove."³¹¹ Following a fire in 1915, a Japanese commercial district emerged, comprised of nearly 70 businesses.

Since the 1882 Chinese Exclusion Act barred Chinese from becoming citizens and the 1913 Alien Land Act barred anyone who was not a citizen of the United States from purchasing land, local landowners leased land in the north end of the east side of Walnut Grove to the Chinese, and later to the Japanese, to construct housing and commercial structures. The east side of town included boarding houses for agricultural laborers, shops, restaurants, gaming halls, tong buildings, a Chinese school, and residences. By the 1930s, this area also included a Japanese

³¹⁰ Compiled from Mary L. Manieri, "Walnut Grove Chinese-American Historic District," "Walnut Grove Japanese-American Historic District," and "Walnut Grove Commercial/Residential Historic District," (Sacramento County, California) National Register of Historic Places Registration Form, Washington, D.C.: U.S. Department of the Interior, National Park Service, 1990; and Tushio Sakai and Carol Branan, "Walnut Grove Gakuen Hall," (Sacramento County, California) National Register Registration Form, Washington, D.C.: U.S. Department of the Interior, National Park Service, 1980.

³¹¹ Ibid.

Buddhist temple, a Japanese Methodist church, and a Japanese school. A segregated, public “Oriental School” operated in east Walnut Grove from 1921 until 1946.

In the early 1920s, Bob Clampett bought what is now Clampett Tract, on Grand Island (western Walnut Grove), from Robert Kercheval. Clampett drained the tract and subdivided the area into residential lots. In the 1930s, churches and businesses were added in Clampett Tract.

Despite the efforts of some local leaders to encourage more European Americans to settle in Walnut Grove, it remained predominantly Asian until the 1940s. As a segregated community, only Whites were allowed to live on the western side of the river. The Chinese population was aging and dwindling at that time, primarily because of the strict immigration laws, and the Japanese were removed to relocation camps at the beginning of World War II. With the loss of the Asian community, Walnut Grove’s role as an Asian-oriented service and social center diminished, although it continued to serve as an important agricultural support center.

The Sacramento Housing and Redevelopment Agency (SHRA) began working in the Delta in the mid- to late-1970s. By the early 1980s, SHRA had established a Redevelopment Project Area in Walnut Grove. SHRA assisted the Homeowners and Merchants Association with property acquisitions (addressing land versus structure ownership issues) and began an aggressive revitalization program. In particular, SHRA constructed curbs, gutters, sidewalks, open space, a fire station, parking lots, sewer and water improvements, and a community boat dock. In addition, SHRA undertook a commercial revitalization program, which included commercial loans, grants, façade rebates, and technical assistance to the Walnut Grove Area Chamber of Commerce. The redevelopment project area expired in 2004 and SHRA has since suspended its involvement in the area.

5.3.2 *Locke History*

The history of Locke is closely tied to that of Walnut Grove. In 1915, when a fire destroyed the Chinese settlement in Walnut Grove, a group of Chinese residents leased land from Locke family to build new homes and shops. Locke eventually grew into a bustling town. Between 1916 and 1920, restaurants, dry goods stores, hardware stores, grocery stores, brothels, and a merchant’s association were established. Later, a drug store, soda fountain, post office, tobacco shop, shoe repair shop, bakery, theater, boarding houses, and opium rooms located in the town. At its peak, 600 residents and as many as 1,500 short-term and seasonal workers and visitors occupied Locke. However, Locke entered into decline as the Chinese population decreased due to strict immigration laws. In the latter half of the 20th century, Locke deteriorated to the point that the community was in danger of condemnation.³¹²

Locke is the last remaining rural Chinatown in the United States and the entire community was placed on the National Register of Historic Places in 1970. In 2000, SHRA began a four-year process to address property ownership issues in Locke. In addition, SHRA assisted with building stabilization and facilitated construction of a new sewer system (assisted by a grant from the U.S. Department of Agriculture). In total, more than \$3 million in federal Community Development Block Grant (CDBG) and Economic Development Initiative (EDI) funds were spent on these activities.³¹³

³¹² www.locketown.com

³¹³ Sacramento Housing and Redevelopment Agency article:
http://www.shra.org/SuccessStories/CommunityRevitalization.aspx#The_Transformation_of_Phoenix_Park

In 2004, the SHRA turned over ownership of the subdivided land in Locke over to the building owners. As a condition of receiving the land from the SHRA, buyers accepted property conditions and limitations concerning the use of the buildings, historic architecture, sale requirements (i.e., right of first refusal for descendants of the original settlers), and town management structure. In 2005, the California Department of State Parks purchased the Locke Boardinghouse, built in 1915, and have restored it in partnership with SHRA. Opened in 2008, the Locke Boarding House serves as a visitor center and interpretive center for visitors and residents.

5.3.3 Socioeconomics of Walnut Grove and Locke

While Walnut Grove and Locke are very distinct communities, the available socioeconomic data is limited and these communities must be analyzed together. Data from the U.S. Census Bureau's American Community Survey is available at the block group level, with eastern Walnut Grove and Locke located in the same block group (as shown in Figure 40). Western Walnut Grove and Ryde are also analyzed together due to the limitations of the available data.

Eastern Walnut Grove and Locke contain a very high concentration of Asian residents, with approximately 38 percent identifying themselves as "Asian alone," which is significantly higher than the reported 13 percent in the Legal Delta. On the other side of the Sacramento River in western Walnut Grove/Ryde, the racial composition is quite different. Only about 3 percent of residents in western Walnut Grove/Ryde identify themselves as "Asian alone," while 56 percent identify themselves as "White alone."

Household income differences between eastern Walnut Grove/Lock and western Walnut Grove/Ryde are notable as well. At roughly \$29,000 per year, the average household income in eastern Walnut Grove/Locke is much lower than in the Legal Delta and the lowest of all Legacy Communities. More than 45 percent of households in eastern Walnut Grove/Locke report an income less than \$15,000, compared to just 10 percent in the Legal Delta. By comparison, the residents of western Walnut Grove/Ryde are considerably more affluent. The average household income in western Walnut Grove/Ryde is \$92,000, compared to roughly \$80,000 in the Legal Delta. It is also noteworthy that more than 27 percent of western Walnut Grove/Ryde households earn more than \$150,000 per year, compared to just over 11 percent in the Legal Delta.

The residents of eastern Walnut Grove/Locke frequently work outside of the area in which they live. Only 9 percent of these residents actually work within their local area. Many of these residents commute to the city of Sacramento, Stockton, West Sacramento, and San Jose. Commute patterns are similar in western Walnut Grove/Ryde, where about 15 percent of residents work in the local area. Residents frequently commute to Sacramento, Stockton, and Rio Vista. Jobs in eastern Walnut Grove/Locke are filled by workers from throughout the region, most notably from Sacramento, Elk Grove, Galt, Stockton, and Lodi. Only approximately 4 percent of eastern Walnut Grove/Locke workers live there too. Commute patterns in western Walnut Grove/Ryde are similar, although a higher proportion of workers (about 13 percent) also live there.

5.4 Vision for Walnut Grove: Heart of the Sacramento River Corridor

Walnut Grove is unique in that it is one of the few Delta communities that occupies both sides of the river, with the primary residential area on the West and the commercial area and historic Asian communities located on the East. The building stock in the residential community represents a range of typologies, from small pre-WW II homes to modern estate properties. In

the commercial district, many historic structures and newer structures line the top of the levee. At the base of the levee, a mixed area of historic structures, post-war homes, community services, an elementary school and a community center are lined along both sides of the former rail line. The community continues to be a service center for the agricultural businesses, as well as a destination for both water- and auto-based tourists.

There are multiple opportunity sites within Walnut Grove that could provide multi-family housing or tourist accommodations in close proximity to services. However, proposed regulatory policies could either prevent this infill development or create significant entitlement risk. The General Plan indicates the need for additional housing, and Walnut Grove has both the opportunity sites and infrastructure in place to provide for future housing needs.

- Walnut Grove has a valuable public dock with direct access to the core retail area. These retail uses currently cater to residents, daytime workers, and tourists. Because some businesses are at the top of the Sacramento River levee, they present opportunities to create a valuable pedestrian-oriented commercial node.
- Because Walnut Grove has commercial zones on both sides of the river, the Sacramento River bridge is an important linkage within the community. There is an opportunity to enhance the commercial area on the western side, particularly with a better pedestrian and bicycle crossing at the bridge.
- Consistent with the recommendations of the Recreation Chapter (see Chapter 8), the former rail line presents the opportunity to link the Delta Meadows River Park, the historic Locke community, and the historic Japanese and Chinese areas of Walnut Grove. Public improvements along the rail corridor have the potential to stimulate investment in Walnut Grove.

Walnut Grove is centrally located with the Sacramento River Corridor and contains many key services and amenities that are not available outside of nearby cities. Walnut Grove has the potential to build upon this role as a local commerce center.

Key tenets of a vision for Walnut Grove include the following:

Preserved Historic Character: Walnut Grove's established, attractive, and high-quality building stock should be maintained and/or enhanced. Planning should identify adaptive reuse opportunities and assess their potential benefits to the community.

Increased Resident, Visitor, and Business Services: Opportunities to add a variety commercial uses should be carefully evaluated. Additional retail stores, business service providers, and restaurant operations could be feasible, if undertaken as part of a broader strategy.

Improved Connection to the Sacramento River: The recent construction of water-side docking facilities in Walnut Grove have enhanced the ability for users to access the river and have created momentum which should be leveraged by efforts to enhance connections between the river and town.

Figure 44 below shows a planning concept for Walnut Grove and Locke (combined here for perspective). Figure 45 presents the Walnut Grove concept in detail. Key information for this vision includes the following.

- The east side of Walnut Grove includes a single-family residential area that has some infill opportunities. However, there are several properties along the levee that have higher-density zoning and could be opportunity sites for additional workforce housing or visitor accommodations.
- At the levee edge, there are several commercial sites. There is the potential for this area to become a mixed-use area with housing, services, and amenities at elevations that provide views and access to the river.
- East Walnut Grove is a complex community of historic districts and sites, single-family residences, industrial and institutional uses, and local commercial uses. There are several vacant or underutilized sites that represent opportunities for infill development including housing, commercial, industrial, and visitor accommodations.
- There is also the potential to create a strong pedestrian focus to River Road on both in both the East and West commercial areas as the levee is relatively wide. As the community evolves, linking these two commercial areas with enhanced connections across the bridge could provide a strong sense of place for Walnut Grove and create a significant visitor destination.
- There is at least one example of successful historic restoration and adaptive re-use in the historic movie theater as a metalwork sculpture studio and showroom. Encouraging this type of restoration in the area could serve to both preserve the history of the community and energize it with new activity.
- Two large opportunity sites, one residential and one industrial at the Southwest end of East Walnut Grove provide great opportunities to continue support of the agriculture industry and develop significant housing or visitor accommodations.
- The abandoned railroad right of way and Grove Street provide the opportunity to create a link between the Delta Meadows River Park trail to the North and potential recreation and interpretive venues to the South. This opportunity links potential development sites, historic areas, residential neighborhoods, and potential future recreation areas. Creating the link and activating it with commercial uses and visitor accommodations could work toward positioning Walnut Grove as a primary Delta destination.
- As with Clarksburg, Walnut Grove has multiple opportunities for Legacy Community markers and community identity nodes to increase interest and education, as well as to orient visitors.



Figure 44 Walnut Grove and Locke Vision and Opportunity Sites³¹⁴



WALNUT GROVE/LOCKE LAND USE

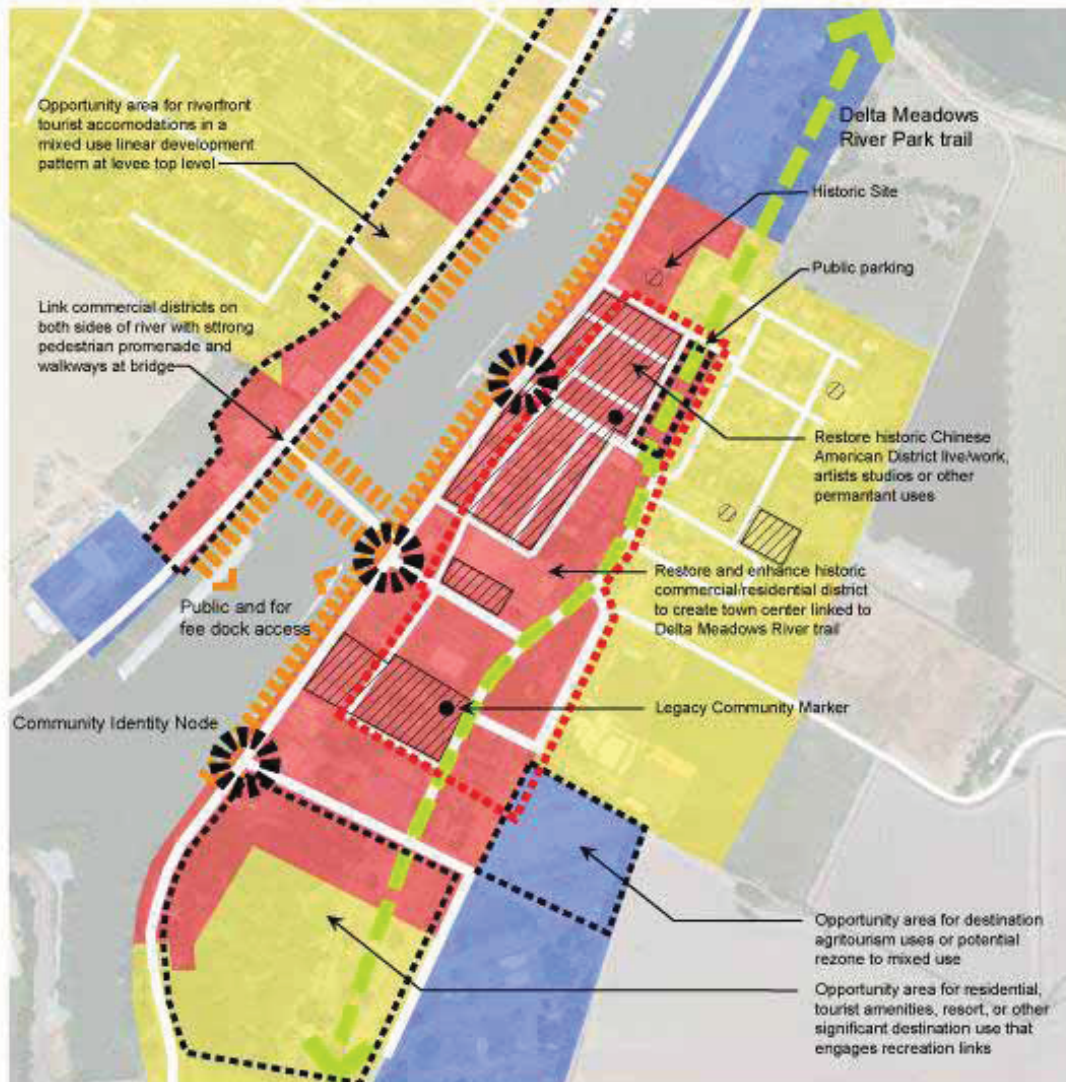
ZONING LEGEND

- Industrial
- Commercial/Residential
- Residential
- Commercial Boat
- Open Space
- Historic Preservation Area
- Special Plan Area

The diagram shown represents one possible concept for potential opportunity sites to demonstrate planning concepts to enhance economic sustainability.

³¹⁴ For high resolution image see <http://forecast.pacific.edu/desp-figs.html>

Figure 45 Walnut Grove Vision and Opportunity Sites³¹⁵



WALNUT GROVE OPPORTUNITIES

ZONING LEGEND

- Industrial
- Commercial/Residential
- Residential
- Commercial Opportunity Area
- Historic Preservation Area
- Public Access

The diagram shown represents one possible concept for potential opportunity sites to demonstrate planning concepts to enhance economic sustainability.

³¹⁵ For high resolution image see <http://forecast.pacific.edu/desp-figs.html>

5.5 Vision for Locke: A Historic Delta Community

Locke is known for its cultural heritage, historical significance, unique building stock, and visitor attractions. These assets should be bolstered in a culturally, ecologically, and economically sustainable manner. Nearly all of the historic structures in Locke are in need of extensive restoration. According to Sacramento County planning officials there are multiple agency policy requirements, federal, state, and county, that would need to be addressed, and potentially waived, to permit this activity.

Locke is a Legacy Community that has struggled to survive both economically and physically. A majority of Locke's buildings are in great need of restoration and yet Locke holds tremendous historic and cultural significance as one of the only towns built by the Chinese immigrants for their community. In addition, the western adaptation of the Chinese Shop House typology makes Locke's architecture a national landmark. Restoration and adaptive reuse of these structures could provide Locke with the catalyst necessary for sustainability.

Key tenets of a vision for Locke include the following:

Preserved Historic Character: Locke's unique, historic building stock should be maintained and/or enhanced.

Improved Hospitality and Visitor Services: Opportunities to add a variety of visitor-serving uses should be evaluated. Uses might include retail stores, restaurants, and wine tasting rooms. Improved ground-level retail spaces would provide locations for businesses seeking to capitalize on the recreation enhancements around Locke, including Delta Meadows (see Chapter 8: Recreation).

Revitalized Main Street Business Environment: The scale and walkability of "main street" in Locke is conducive to visitor-oriented retail. Efforts to maintain and enhance storefronts should be undertaken with the objective of creating an improved destination for tourism.

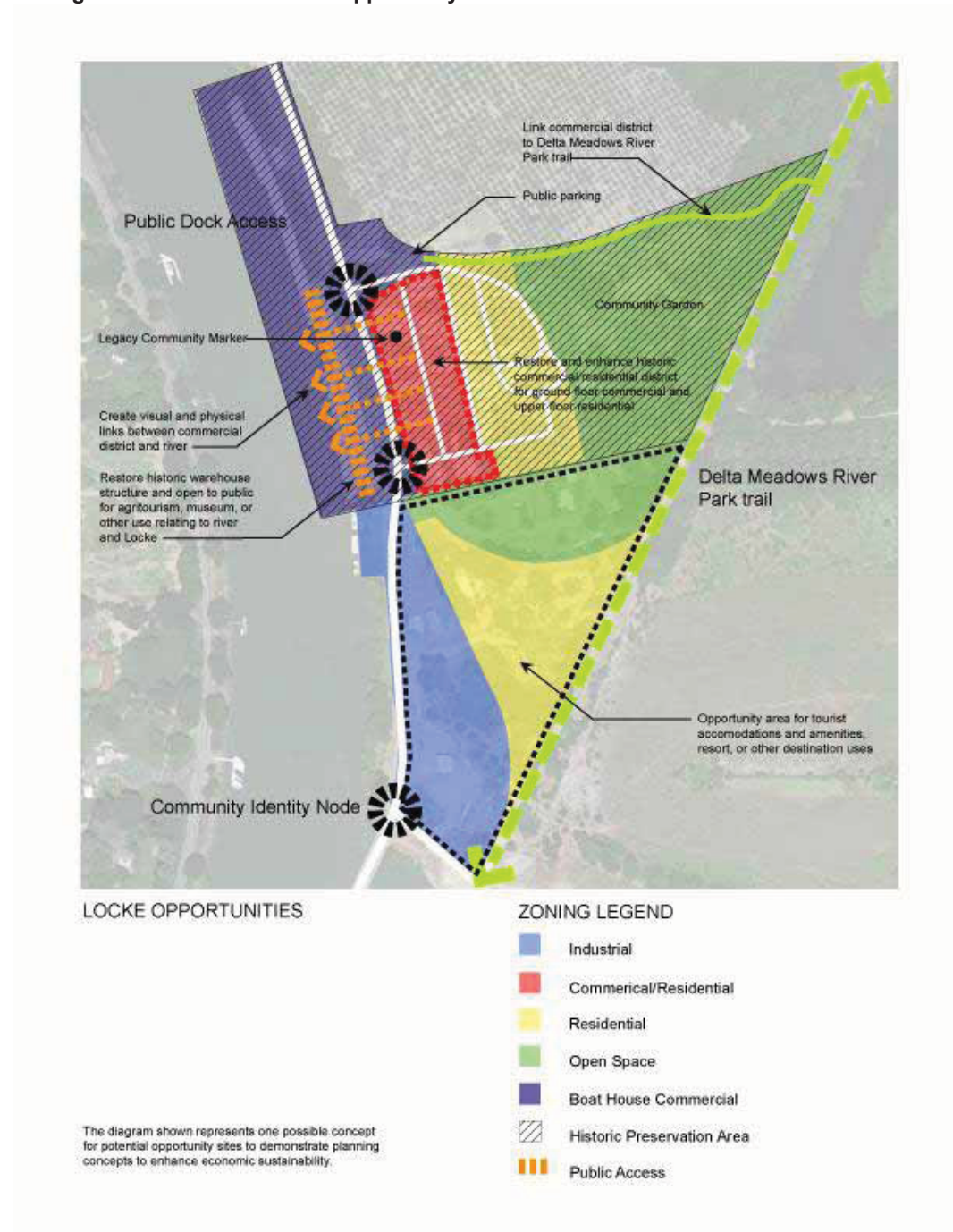
Figure 46 below shows a planning concept for Locke. Key information for this vision include the following.

- The historic wharf warehouse presents a unique opportunity to restore a significant historic structure as a catalyst to restoration of the entire community. Purchase of the structure and restoration for public uses such as agritourism vendors, historical interpretive exhibits, and even tourist accommodations could provide a destination for overnight visitors. It is currently under private ownership and would likely need a public-private partnership to ensure success.
- There is an opportunity site in the industrial zone along the river that is outside of the Historic Preservation Area and could be used as a recreation or agritourism venue. However, the risk associated with rezoning would need to be addressed before investment would occur.
- Locke has spent considerable energy in creating educational opportunities about its history, yet with so few visitor accommodations nearby, there are limited opportunities for overnight visits. The existing historic Shop Houses have the ability to accommodate live/work, artists' studios, bed and breakfast accommodations, and entertainment venues.
- At the southern end of Locke the open space, residential, and industrial properties provide an opportunity to create tourist accommodations, amenities, a resort, or other destination

uses. This site could leverage the expansive community garden, the surrounding agriculture, and the Delta Meadows River Park trail.

- The new public parking lot in Locke could provide or accommodate a trailhead link to the Delta Meadows River Park trail which is adjacent to the community garden.
- As with Clarksburg and Walnut Grove, Locke has opportunities for Legacy Community markers to augment the existing museums and parks, and community identity nodes.

Figure 46 Locke Vision and Opportunity Sites³¹⁶



³¹⁶ For high resolution image see <http://forecast.pacific.edu/desp-figs.html>

5.5.1 Goals for Economic Development in Walnut Grove and Locke

Based on the planning concept and rationale presented above, the Economic Sustainability Plan recommends the following high-level goals for economic development in Walnut Grove and Locke.

- Quality building rehabilitation and adaptive reuse project
- Historical interpretation exhibits and publicly-accessible cultural and historic sites
- New businesses providing services related to agriculture and recreation
- New businesses offering locally-produced agricultural products
- Localized branding that is consistent with an overarching Delta brand
- Basic support services for tourists and visitors (e.g., restrooms, taxi/shuttle services)
- Retention of existing local businesses